



GARY R. HERBERT
Governor

GREGORY S. BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

October 5, 2011

CERTIFIED RETURN RECEIPT
7005 2570 0000 4801 9967

Lawnie Mayhew
Harper Contracting, Inc.
8201 West 5400 South
P. O. Box 18400
Kearns, Utah 84118-0400

Joe Johnson
Kilgore Companies
P. O. Box 869
Magna, Utah 84044

Subject: Evaluation of Reclamation Surety, Harper Contracting, Inc., Parley's Canyon Rock Quarry, M/035/0012, Salt Lake County, Utah

Dear Messrs. Mayhew and Johnson:

The Division of Oil, Gas and Mining's last reclamation cost estimate for the Parley's Canyon Rock quarry was \$113,100 escalated to 2011 dollars, so the reclamation surety amount is now due for review and adjustment. The Division may adjust the amount of reclamation surety as the result of a periodic review taking into account inflation/deflation based on an acceptable cost index (R647-4-113.6).

The Division has developed worksheets to assist both the Division and mine operators to calculate the reclamation surety amount using standard unit costs. They are available on the web site at <http://www.ogm.utah.gov/minerals/>. Please complete these forms and return a copy to the Division for review. Once the forms have been reviewed, the Division will ask that you adjust the amount of surety to reflect the current reclamation cost estimate. **Please submit the reclamation cost estimate as an amendment to the Notice of Intention to Commence Large Mining Operations (LMO) by December 5, 2011, so the information can be incorporated into the approved plan.**

Please contact Wayne Western at 801-538-5263 or by e mail at waynewestern@utah.gov if you have questions about the worksheet or calculations.

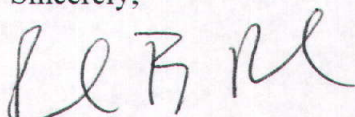


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The Division also requests that you review the current LMO to ensure it is adequate and reflects the current operating conditions. Any necessary changes should be addressed by submitting an amendment to the LMO.

Thank you for your cooperation. Please call me at 801-538-5261 or the Leslie Heppler at 801-538-5257 if you have questions about this letter.

Sincerely,

A handwritten signature in black ink, appearing to read 'PBB', is written over the typed name.

Paul B. Baker
Mining Program Manager